

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:

City of Detroit, Michigan,

Debtor.

Bankruptcy Case No. 13-53846
Honorable Thomas J. Tucker
Chapter 9

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**EXHIBIT D (BLUE CROSS PLAN) IN SUPPORT OF DPLSA'S RESPONSE IN
OPPOSITION TO CITY OF DETROIT'S MOTION FOR (I) DETERMINATION
THAT THE DETROIT POLICE LIEUTENANTS AND SERGEANTS
ASSOCIATION HAS VIOLATED THE TERMS OF THE CITY OF DETROIT'S
CONFIRMED PLAN OF ADJUSTMENT AND THE ORDER CONFIRMING IT;
AND (II) ORDER (A) ENJOINING FURTHER VIOLATIONS AND
(B) REQUIRING DISMISSAL OF STATE ACTIONS [DOCKET NO. 9656]**

PART 10 OF 14

Section 4: How Providers Are Paid

This section describes how BCBSM pays its providers. This includes physicians and other professional providers *and* hospitals, facilities and alternative to hospital care providers. Our basic payment policy is illustrated in the chart below and explained in more detail in the pages that follow.

PPO In-network Providers	BCBSM sends payment directly to in-network providers. They accept this payment, which is our approved amount, as payment in full for covered services.
PPO Out-of-Network Providers	<p>Your care is considered out-of-network, unless you have a referral from a PPO network provider. Not all services are covered out-of-network.</p> <p>When using out-of-network providers you will need to find out if the provider is participating or nonparticipating with BCBSM.</p> <p><u>Here's why:</u></p> <ul style="list-style-type: none">• Participating providers — BCBSM sends payment directly to participating providers. They accept BCBSM's approved amount as payment in full.• Nonparticipating physicians and other professional providers — BCBSM sends payment directly to you and you must pay the provider.• Nonparticipating hospitals, facilities and alternative to hospital care providers * — BCBSM does not pay for services received at nonparticipating hospitals except for services to treat accidental injuries or medical emergencies. You will need to pay most of the charges yourself.

* An alternative to hospital may include home health care, home infusion therapy, hospice care, and care in a skilled nursing facility.

This section will help you understand BCBSM's relationship with providers by describing our payment practices when you receive services from:

- PPO In-network Providers
- PPO Out-of-Network Providers
- Emergency Services at a Nonparticipating Hospital
- Hospital Services that You Must Pay
- Out-of-Area Services
- BlueCard® PPO Program
- Negotiated (non-BlueCard Program) National Account Arrangements
- BlueCard Worldwide® Program

Section 4: How Providers Are Paid

PPO In-network Providers

When you receive covered services from an in-network provider (see definition of "In-network Providers" on Page 145), we will pay our approved amount for covered services directly to the provider. You are responsible only for the deductible, copayments, and coinsurances described in this certificate (see Section 2: "What You Must Pay").

In-Network Providers

Provider Status	Type of Provider	COVERED SERVICES			
		BCBSM Pays		You Pay	
		Amount	Whom	Amount	Whom
PPO In-Network	Professionals, Hospitals and Facilities	BCBSM's approved amount minus what you must pay	Provider*	<u>In-Network</u> <ul style="list-style-type: none"> • Deductible • Coinsurance • Copayments (See Section 2) 	Provider
		NON-COVERED SERVICES			
		You may be billed for:		You may NOT be billed for:	
		<ul style="list-style-type: none"> • Services not covered by your contract. • Services determined by BCBSM to be medically unnecessary or experimental. You may be billed only if: <ul style="list-style-type: none"> – You acknowledge in writing before you receive the service that we will not cover it because it is medically unnecessary or experimental and you agree to receive the service and pay for it, and – The provider gives you an estimate of what the services will cost you. • Your failure to provide the required identifying information in a timely manner for the provider to file a claim**. 		<ul style="list-style-type: none"> • Services that are not covered because BCBSM determined that the provider lacked the appropriate credentials or privileges needed to perform the service, or the provider failed to comply with BCBSM policies when rendering the services. • An overpayment made to the provider which BCBSM later requires the provider to repay to BCBSM. • Balances in excess of our approved amounts. 	

* If you need to know what providers are paid directly, call us at one of the numbers listed in Section 8: "How to Reach Us".

** A provider may bill you only if a claim was submitted within three months after the provider obtained the necessary information. BCBSM may deny a claim from a participating provider that was submitted more than two years after the service because you did not furnish needed information.

Section 4: How Providers Are Paid

PPO Out-of-Network Providers

When you receive covered services from an out-of-network provider, BCBSM's payment to the provider and your payment responsibilities will be determined by whether the provider is participating or nonparticipating with BCBSM.

Out-of-Network Participating Providers

Provider Status	Type of Provider	COVERED SERVICES			
		BCBSM Pays		You Pay	
		Amount	Whom	Amount	Whom
Out-of-Network Participating Provider	Professionals, Hospitals and Facilities	BCBSM's approved amount minus what you must pay	Provider	<u>Out-of-Network</u> <ul style="list-style-type: none"> • Deductible • Coinsurance • Copayments (see Section 2) <p>Out-of-network deductibles, coinsurances and copayments are not applied to:</p> <ul style="list-style-type: none"> • Services for the exam and treatment of a medical emergency or accidental injury in the outpatient department of a hospital, urgent care center or physician's office • Services from a provider for which there is no PPO network • Services from an out-of-network provider in a geographic area of Michigan deemed a "low-access area" by BCBSM for that particular provider specialty 	Provider

In limited instances, out-of-network deductible, copayment, and coinsurance requirements may not be imposed for:

- Select professional services performed by out-of-network providers in an in-network hospital, participating freestanding ambulatory surgery facility or any other location identified by BCBSM. You may contact BCBSM for information regarding these professional services.
- The reading and interpretation of a screening mammography in instances where an in-network provider performs the test, but an out-of-network provider does the analysis and interprets the results.



While the out-of-network deductible, copayment and coinsurance requirements may not be imposed, covered services will be subject to applicable in-network deductible (if any), copayment and coinsurance requirements.

If you need to know when your out-of-network cost share will not be imposed, call us at one of the numbers listed in Section 8: "How to Reach Us".

Section 4: How Providers Are Paid

Out-of-Network Participating Providers (continued)

If you receive services from an out-of-network provider, BCBSM's payment to the provider and your payment responsibilities will be determined by the out-of-network provider's participation or nonparticipation status with BCBSM, as explained on the following pages.

When Out-of-Network Participating Providers May or May Not Bill You

Provider Status	Type of Provider	NON-COVERED SERVICES	
		You may be billed for:	You may NOT be billed for:
Out-of-Network Participating Provider	Professionals Hospitals and Facilities	<ul style="list-style-type: none">• Services not covered by your contract.• Services determined by BCBSM to be medically unnecessary or experimental. You may be billed only if:<ul style="list-style-type: none">– You acknowledge in writing before you receive the service that we will not cover it because it is medically unnecessary or experimental and you agree to receive the service and pay for it, and– The provider gives you an estimate of what the services will cost you.• Your failure to provide the required identifying information in a timely manner for the provider to file a claim.*	<ul style="list-style-type: none">• Services that are not covered because BCBSM determined that the provider lacked the appropriate credentials or privileges needed to perform the service, or the provider failed to comply with BCBSM policies when rendering the services.• An overpayment made to the provider which BCBSM later requires the provider to repay to BCBSM.• A balance in excess of our approved amount

* A provider may bill you only if a claim was submitted within three months after the provider obtained the necessary information. BCBSM may deny a claim from a participating provider that was submitted more than two years after the service because you did not furnish needed information.

Section 4: How Providers Are Paid

Out-of-Network Providers (continued)

Nonparticipating Physicians and Other Providers

Out-of-Network Nonparticipating Providers

If the out-of-network provider is **nonparticipating**, you will need to pay most of the charges yourself. Your bill could be substantial. After paying the provider, you should submit a claim to us. If we approve the claim, we will send payment to the member.

Out-of-Network Nonparticipating Providers

Provider Status	Type of Provider	COVERED SERVICES			
		BCBSM Pays		You Pay	
		Amount	Whom	Amount	Whom
Out-of-Network Nonparticipating Provider*	Professional	BCBSM's approved amount minus what you must pay	Member	<u>Out-of-Network</u> <ul style="list-style-type: none"> • Deductible • Coinsurance • Copayments AND The difference between BCBSM's approved amount and the amount charged by the nonparticipating provider	Provider
	Hospital and Facilities	<ul style="list-style-type: none"> • Coverage is limited to treatment of an accidental injury or medical emergency BCBSM's payment for these services is limited (see Page 97)	Member	<u>In-Network</u> <ul style="list-style-type: none"> • Deductible • Coinsurance • Copayments AND The difference between BCBSM's payment and the amount charged by the nonparticipating provider	Provider

To receive payment for covered services provided by a nonparticipating provider, you will need to send us a claim. Call your customer service representative (see Section 8: "How to Reach Us") for information on filing claims.

* Nonparticipating professional providers, except independent physical therapists, certified nurse practitioners, independent occupational therapists, independent speech-language pathologists and audiologists, **may** agree to participate on a per claim basis. This means that they will accept the approved amount (less applicable deductible, copayments and coinsurances) as payment in full for a specific service. The provider will submit a claim to us and we will send payment to the provider.

Section 4: How Providers Are Paid

Out-of-Network Providers (continued)

Nonparticipating Hospitals, Facilities and Alternative to Hospital Care Providers (continued)

BCBSM does not pay for services at nonparticipating:

- Outpatient physical therapy facilities
- Mental health or substance abuse treatment facilities
- Freestanding ambulatory surgery facilities
- Freestanding ESRD facilities
- Home health care agencies
- Hospice programs
- Long-term Acute Care Hospitals
- Skilled nursing facilities, or
- Ambulatory infusion centers.

If you need to know if a provider participates, ask your doctor, the provider's admitting staff, or call us. (Use the numbers listed in Section 8: "How to Reach Us".)

BlueCard® PPO Program

We participate with other Blue Cross and/or Blue Shield plans in the BlueCard PPO Program. This Program offers members of Blue Cross and/or Blue Shield plans medical benefits when they receive health care from BlueCard PPO providers outside the area their local plan services. When you receive covered services in the area served by a Host Plan, we will pay for covered services. However, the Host Plan is responsible for contracting with and generally handling all interactions with its participating providers.

BlueCard PPO Network Providers

If you receive covered services from an out-of-area PPO network provider:

- The provider will file your claim with the Host Plan
- The Host Plan will pay the provider and **not** reduce its payment by the amount specified under this certificate for services provided by an out-of-network provider.

Section 4: How Providers Are Paid

BlueCard PPO Program (continued)

Network status is not based on provider participation with BCBSM but with the plan where the services are rendered.

When you receive covered services outside our service area and the claim is processed through the BlueCard Program, your deductible, copayment and coinsurance will be based on the lower of:

- The billed charges for your covered services; or
- The negotiated price that the Host Plan makes available to us.

Often this "negotiated price" will be a simple discount that reflects an actual price that the Host Plan pays to your provider. Sometimes it is an estimated price that takes into account special arrangements with your provider or provider group that may include settlements, incentive payments, and/or other credits or charges. Occasionally it may be an average price based on a discount that results in expected average savings for similar types of providers after taking into account the same types of transactions as with an estimated price.

Estimated pricing and average pricing also take into account adjustments to correct for over- or underestimation of modifications of past pricing for the types of transaction modifications noted above. However, such adjustments will not affect the price we use for your claim because they will not be applied retroactively to claims already paid.

Laws in other states may require the Host Plan to add a surcharge to your claim. If any state laws mandate other liability calculation methods, including a surcharge, we will calculate your liability for any covered services according to applicable law.

BlueCard PPO Out-of-Network Providers

If the provider is not a PPO network provider, we will notify the Host Plan to reduce its payment to the amount specified under this certificate for services provided by an out-of-network provider, unless:

- You were referred to that provider by a PPO network provider (You must obtain the referral before receiving the referred service or the service will be subject to the out-of-network deductible requirements) or
- You needed care for an accidental injury or a medical emergency (see Emergency Services, Page 36).

BlueCard PPO providers may not be available in some areas. In areas where they are not available, you can still receive BlueCard PPO benefits if you receive services from a BlueCard participating provider. The Host Plan must notify BCBSM of the provider's status.

Section 4: How Providers Are Paid

BlueCard PPO Program (continued)

Nonparticipating Providers Outside Our Service Area

An out-of-area provider that does not participate with BCBSM or the local Host Plan may require you to pay for services at the time they are provided. If so:

- Submit an itemized statement to us for the services. Call your customer service representative (see Section 8) for information on filing claims.
- We will pay you the amount specified under this certificate for covered services provided by a nonparticipating provider. (We do not pay for services of nonparticipating facility providers listed on Page 116 and provide very limited coverage for services of nonparticipating hospitals.)

In all cases, you are also responsible for the out-of-network deductible, copayment and/or coinsurance required under this certificate.

To find out if an out of area provider is a BlueCard or BCBSM PPO provider please call 1-800-810-BLUE (2583).

You may also visit the BlueCard Doctor and Hospital Finder website at www.bcbs.com for a listing of participating providers.

Subscriber Liability Calculation

When covered services are provided outside of our service area by nonparticipating providers, the amount you pay for such services will generally be based on either the Host Plan's nonparticipating provider local payment or the pricing arrangements required by applicable state law. In these situations, you may be liable for the difference between the amount that the nonparticipating provider bills and the payment we make for the covered services as set forth in this paragraph.

Exceptions:

In certain situations, we may use other payment bases, such as billed covered charges, the payment we would make if the services had been obtained within our service area, or a special negotiated payment, as permitted under interplan programs policies, to determine the amount we will pay for services rendered by nonparticipating providers. In these situations, you may be liable for the difference between the amount that the nonparticipating provider bills and the payment we will make for the covered services as set forth in this paragraph.

Specialty Providers in the BlueCard Program

The Host Plan can pay provider specialties recognized within the Host Plan's area (even if BCBSM does not contract with the particular provider specialty). If the Host Plan contracts with a provider specialty and the services being performed by this provider are covered under the terms of the BCBSM policy, then this provider's services can be paid.

Section 4: How Providers Are Paid

BlueCard PPO Program (continued)

BlueCard PPO Program Exceptions

The BlueCard PPO Program will not apply if:

- The services are not a benefit under this certificate
- This certificate excludes coverage for services performed outside of Michigan
- The Blue Cross and/or Blue Shield plan does not participate in the BlueCard PPO Program
- You require the services of a provider whose specialty is not part of the BlueCard PPO Program or
- The services are performed by a vendor or provider who has a contract with BCBSM for those services.

Negotiated (non-BlueCard Program) National Account Arrangements

As an alternative to the BlueCard Program, your claims for covered services may be processed through a negotiated national account arrangement with a Host Plan.

The amount you pay for covered services under this arrangement will be calculated based on the negotiated price or lower of either the billed charges or negotiated price made available to us by the Host Plan.

BlueCard Worldwide[®] Program

The BlueCard Worldwide Program assists BCBSM members traveling or living outside of the United States in obtaining medical care services; provides access to a worldwide network of health care providers; and includes claims support services.



A PPO network is not available outside the United States.

In this BlueCard Worldwide Program section, when we refer to participating or nonparticipating hospitals or physicians, we mean participating or nonparticipating in the BlueCard Worldwide Program.

Medical Assistance Services

If subscribers need medical services while traveling or living outside of the United States, they are responsible for contacting the BlueCard Worldwide Service Center at 1-800-810-BLUE (or call collect at 804-673-1177 if they are calling from outside the United States) to assist them with information on participating hospitals and physicians and by providing medical assistance services. Failure to contact the BlueCard Worldwide Service Center could result in payment reductions or non-payment of services.

Section 4: How Providers Are Paid

BlueCard Worldwide Program (continued)

Coverage for BlueCard Worldwide Participating Hospitals

Inpatient Hospital Services

- Subscribers are responsible for calling the BlueCard Worldwide Service Center to arrange cashless access with a participating hospital if an inpatient admission is necessary. Cashless access means that the subscriber is only required to pay applicable in-network deductible(s) and copayment(s) at the time of the admission for all covered services. The hospital will file the claim for the subscriber.
- Subscribers are responsible for in-network deductible(s), copayment(s) and coinsurances.
- Subscribers are responsible for the payment of noncovered services.
- Providers are responsible for contacting BCBSM for preauthorization. Call the customer service number listed on the back of your BCBSM ID card.

Outpatient Hospital Services

- Subscribers are responsible for payment of all outpatient services at the time the services are rendered.
- Subscribers are responsible for submitting the international claim form(s). Forms are available from BCBSM, the BlueCard Worldwide Service Center or on-line at bcbs.com/bluecardworldwide.
- Subscribers must provide copies of the medical record, itemized bill, and proof of payment with the claim form. BCBSM will only pay for covered services.

Coverage for Nonparticipating Hospitals

Inpatient Hospital Services

- If subscribers are admitted to a nonparticipating hospital, they are responsible for calling the BlueCard Worldwide Service Center to try to arrange a referral for cashless access and approval from BCBSM. Cashless access means that the subscriber is only required to pay applicable out-of-network deductible(s) and copayment(s) at the time of the admission for all covered services. If approved, the claim will be considered a participating provider payable claim. The hospital will file the claim for the subscriber.
- If cashless access is arranged, the subscriber will be responsible for the out-of-network deductible(s) and copayment(s) and non-covered services.
- A subscriber who does not contact the Service Center to arrange cashless access and approval from BCBSM may be responsible for paying the entire admission.

Section 4: How Providers Are Paid

BlueCard Worldwide Program (continued)

Outpatient Hospital Services

- Subscribers are responsible for payment of all outpatient services at the time the services are rendered.
- Subscribers are responsible for submitting the international claim form(s). Forms are available from BCBSM, the BlueCard Worldwide Service Center or on-line at bcbs.com/bluecardworldwide.
- Subscribers must provide copies of the medical record, itemized bill, and proof of payment with the claim form. BCBSM will only pay for covered services.

Emergency Services at Participating or Nonparticipating Hospitals

- In the case of an emergency, subscribers are advised to go to the nearest hospital.
- If hospitalized, subscribers are advised to follow the process for inpatient hospital services.
- If subscribers are not hospitalized, they are responsible for payment of all professional and outpatient services at the time the services are rendered.
- Subscribers are responsible for submitting the international claim form(s). Forms are available from BCBSM, the BlueCard Worldwide Service Center or on-line at bcbs.com/bluecardworldwide.
- Subscribers must provide copies of the medical record, itemized bill, and proof of payment with the claim form. BCBSM will only pay for covered services.

BlueCard Worldwide Professional Services

- Subscribers are responsible for payment of all professional services at the time the services are rendered.
- Subscribers are responsible for submitting the international claim form(s). Forms are available from BCBSM, the BlueCard Worldwide Service Center or on-line at bcbs.com/bluecardworldwide.

Subscribers must provide copies of the medical record, itemized bill, and proof of payment with the claim form. BCBSM will only pay for covered services.